



Frequently-Asked Questions Related to Emergence from Chapter 11

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The following document contains answers to many frequently-asked-questions related to Solutia’s emergence. If your question is not addressed by this document, or if you are in need of additional information, please contact the organization below that relates to your question:

<u>Category of Question</u>	<u>Contact</u>	<u>Phone Number</u>
Cash Payments	Wells Fargo	1-866-631-0175
Claims	The Trumbull Group	1-866-378-1484
Retiree Benefits	Solutia Benefits Center	1-888-476-5236
Registered Shareholder	American Stock Transfer Company	1-800-937-5449
Other	Solutia Reorganization Information Line	1-800-898-1907 or 1-314-674-9135

GENERAL QUESTIONS

What does emergence mean?

Emergence means that Solutia Inc. and its 14 U.S. subsidiaries that had filed for Chapter 11 protection are no longer debtors in bankruptcy.

When did Solutia emerge? When was the Plan Effective Date?

The Plan Effective Date was February 28, 2008, which is also the date the Company emerged.

How do I obtain a copy of Solutia's quarterly earnings report, annual reports and other SEC filings?

Financial reports can be viewed and downloaded from our Investor website at www.solutia.com, click on Investor/Reports and Presentations or SEC filings.

What is Solutia's credit rating for emergence?

Solutia received a B1 corporate rating from Moody's on November 29, 2007 and a B+ corporate rating from S&P on December 3, 2007.

Where can I find more information?

For more information you can look to the documents on Solutia's web page at <http://www.solutia.com/reorganization/> or to view our SEC filings go to: <http://investor.solutia.com/phoenix.zhtml?c=88803&p=irol-sec>.

QUESTIONS REGARDING NEW COMMON STOCK OF REORGANIZED SOLUTIA

What is the status of Solutia stock?

The new common stock of reorganized Solutia trades on the New York Stock Exchange with the ticker symbol SOA. The “old” Solutia stock, together with warrants or options to purchase old common stock, was cancelled as of the Effective Date of the Plan.

How is the New Common Stock of Reorganized Solutia registered?

Direct registration is being used. Direct registration enables stockholders to be registered on the records of the Company’s transfer agent in book-entry form, with no need of a physical stock certificate.

Will Solutia pay a cash dividend on its New Common Stock?

In the near term, the Company will not pay dividends.

QUESTIONS REGARDING SOLUTIA STOCK CANCELLED UNDER THE PLAN OF REORGANIZATION

What is the status of Solutia stock?

In simple terms, there is “old” Solutia stock and “new” Solutia stock. The new common stock of reorganized Solutia trades on the New York Stock Exchange with the ticker symbol SOA. The “old” Solutia stock that was trading over-the-counter, together with warrants or options to purchase old common stock, were cancelled as of the Effective Date of the Plan.

I owned shares of the “old” Solutia common stock. Will I be receiving New Common Stock of reorganized Solutia?

Pursuant to the Plan of Reorganization, “old” Solutia common stock as well as warrants or options to purchase old Solutia common stock were cancelled on the Effective Date of the Plan. Also, under the Plan certain holders of old Solutia common stock will receive distributions of New Common Stock or Warrants of reorganized Solutia.

Holders of at least 175 shares of old Solutia common stock will receive a pro rata share of 1% (or 597,500 shares) of the New Common Stock. Therefore, for every 1 share of old Solutia common stock that you owned, you will be entitled to receive .00576588 share of New Solutia Common Stock. No partial shares will be distributed.

Holders of at least 24 shares of old Solutia common stock will receive a pro rata share of five-year warrants to purchase 7.5% of the New Common Stock (or 4,481,250 shares) with a strike price of \$29.70. Therefore, for every 1 share of old Solutia common stock that you owned, you will be entitled to receive .04290940 warrant. No partial warrants will be distributed.

What is a warrant?

A warrant gives the holder the right to buy a share of stock at a specific price - called a strike price - within a specified timeframe. A warrant's strike price is typically established above the current market price at the time of issuance. Then, if the price of the security rises above the strike price, the holder of the warrant receives the economic benefit of such increase.

What if I currently have options or warrants to purchase old Solutia common stock that were issued before the emergence date?

Options and warrants to purchase old Solutia stock were cancelled as of the Effective Date of the Plan.

When will I receive the New Common Stock or Warrants of Reorganized Solutia?

Distributions of New Common Stock and Warrants will be made on or as soon as practicable after the Effective Date of the Plan.

I am a holder of the “old” Solutia common stock entitled to receive an equity distribution. How will I receive my shares of New Common Stock in reorganized Solutia?

This will depend on how you own the old Solutia stock. If you are a holder of record, you will receive a statement regarding your ownership of New Common Stock or Warrants from Solutia’s transfer agent. Their address is:

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
888-987-6588
www.amstock.com

Any shares that you purchased through the Equity Rights Offering will also be credited to your account at American Stock Transfer & Trust Company.

If you own your shares through a bank or broker, you will receive a statement from them.

What are the tax implications of owning canceled shares?

Holders of canceled stock should contact their tax advisor for more information about the tax implications. Per the 5th amended Disclosure statement (section XIV, A,7A)

The exchange of Allowed Equity Interests for New Common Stock, Warrants and Rights should be treated as a "recapitalization," and therefore a reorganization, under the IRC. In general, if an exchange qualifies as a reorganization, a Holder of common stock in Solutia that receives "securities" (as defined above under the heading "Consequences to Holders of Noteholder Claims and General Unsecured Claims-- Exchange of Allowed Noteholder Claims and Allowed General Unsecured Claims for New Common Stock-- Treatment of a Debt Instrument as a `Security'") will recognize gain, but not loss, in an amount equal to the principal amount of securities received. For purposes of the reorganization provisions of the IRC, the Warrants should, and although it is unclear, the Rights may, be treated as "securities" with a principal amount of zero. Therefore, an Equity Holder should not recognize gain on its receipt of the Warrants, and possibly the Rights, in exchange for its Equity Interests because the principal amount of securities received will be zero. An Equity Holder should take an aggregate tax basis in the New Common Stock, the Warrants and, if the Rights are treated as "securities", the Rights equal to the tax basis of the Solutia common stock it surrenders. The holding period of

the New Common Stock, the Warrants and if the Rights are treated as "securities", the Rights should include the holding period of the Solutia common stock surrendered therefore. If the rights do not qualify as securities for tax purposes, an Equity Holder would be required to recognize gain equal to the lesser of its gain realized and the value (if any) of the Rights. In such case, the Rights would have a tax basis equal to their fair market value and would have a holding period beginning the day after the exchange. An Equity Holder also cannot recognize any loss on the exchange.

If you need confirmation of the number of old Solutia shares you owned as a holder of record, please contact:

American Stock Transfer & Trust Company
59 Maiden Lane
New York, NY 10038
888-987-6588
www.amstock.com

If you need confirmation of the number of old Solutia shares you owned through a broker, please contact your broker directly.

I received old Solutia shares from the spin off of Monsanto in 1997. How can I determine the cost basis of those shares?

You can find information regarding calculating the cost basis by going to our Investor website at www.solutia.com, click on Investor/Investor Services/Stock Cost Basis.

QUESTIONS REGARDING DISTRIBUTIONS TO CREDITORS

How did Solutia determine who gets what and how much?

Distributions to our creditors were determined by the Bankruptcy Code, which dictates the order of priority in which creditors are entitled to be paid.

Only holders of Allowed Claims as of the Distribution Record Date are entitled to receive a distribution.

Please refer the Solutia's Fifth Amended Disclosure Statement and Fifth Amended Joint Plan of Reorganization to determine the type of distribution you may be entitled to receive (cash distribution or a distribution of New Common Stock of Reorganized Solutia) and the expected percentage recovery of Allowed Claims and Interests. The Plan was the product of extensive negotiations between Solutia, its creditors and interest holders, and was confirmed by the Bankruptcy Court on November 29, 2007. These documents can be found at <http://www.solutia.com/reorganization/>.

When will creditors receive their distributions?

Holders of Allowed Claims will be paid on or after the Plan Effective Date, February 28, 2008.

How do I know if I have an Allowed Claim?

To confirm whether you have an Allowed Claim, please call Solutia's claims agent, The Trumbull Group, at 866-378-1484. They can confirm whether your claim has been allowed.

I'm a creditor with an Allowed Claim for which I am receiving a cash distribution. How will I be paid?

Distributions to holders of Allowed Claims who are entitled to receive cash will be paid by check through Solutia's paying agent, Wells Fargo. Wells Fargo can be reached at 866-631-0175 with questions relating to cash payments made to such holders.

I'm a creditor with an Allowed Claim for which I am receiving New Common Stock of Reorganized Solutia. How will I receive my shares?

Equity distributions to holders of Allowed General Unsecured Claims and distributions to creditors that participated in the Creditor Rights Offering will be made through accounts at Solutia's transfer agent.

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New York, NY 10038
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www.amstock.com

If you are a holder of an Allowed General Unsecured Claim and you participated in the Creditor Rights Offering, you will receive all of your shares through an account set up on your behalf at American Stock Transfer & Trust Company. Beneficial holders of the Allowed Noteholder Claim will receive shares through their trustee.

How did Solutia determine the number of shares to be distributed on account of my claim (Allowed Noteholder Claim or General Unsecured Claim - Classes 12 and 13)?

The confirmed Plan provides that holders of Allowed Noteholder Claims and General Unsecured Claims will receive their pro rata share of the stock pool consisting of 46.6% of the New Common Stock (or 27,829,446 shares). The pro rata share is based on your Allowed claim amount divided by the total claims pool (includes Allowed and disputed Noteholder Claims and General Unsecured Claims) multiplied by the stock pool (27,829,446 shares).

For the Allowed Noteholder Claims of \$455,400,000, the plan provides for an additional 2% (or 1,195,000 shares) of New Common Stock to be distributed. Therefore, holders of Allowed Noteholder Claims will receive a pro rata distribution of the stock pool (46.6%) plus the appropriate portion of the 1,195,000 shares. All 1,195,000 shares will be distributed on the Effective Date or as soon as reasonably practicable thereafter, subject to shares held in the disputed claims reserve.

Finally, to the extent you participated in the Creditors Rights Offering you will receive an additional amount of shares per the Solutia rights offering invoice and subsequent payment for the shares.

In general :

[An allowed \\$1,000 general unsecured claim yielded 35.396440 shares in the initial distribution](#)

\$1,000 principal for the 7 3/8% Debentures (2027) yielded 37.716347 shares in the initial distribution

\$1,000 principal for the 6.72% Debentures (2037) yielded 37.679093 shares in the initial distribution

It appears I have not received all of my shares at exit - why not?

The total size of the final claims pool will not be known until all disputed claims against Solutia are resolved in the Bankruptcy Court. Given this uncertainty, the Company is required to hold back the number of shares that would have been distributed if such disputed claims had been Allowed Claims at the time of the distribution. If the Court deems all or part of a disputed claim to be invalid, creditors with Allowed Claims will receive the additional shares previously reserved for such a disputed claim on a pro rata basis based on the size of the reduced total claims pool.

What is the expected timing for a creditor to receive these shares?

The initial distribution for Allowed Claims as of the Effective Date shall be made on the Effective Date, or as soon as reasonably practicable thereafter. For a disputed claim that subsequently becomes Allowed, shares will be distributed no later than the fifth (5th) business day following the end of the calendar month in which the claim became Allowed.

For a disputed claim that is disallowed, in whole or in part, shares that were previously reserved for the disputed claim will be distributed to creditors with Allowed Claims on a quarterly basis (and in no event later than the fifth (5th) business day after the end of each calendar quarter).

How many total shares should a holder of an Allowed Noteholder Claim or General Unsecured Claim (Classes 12 and 13) ultimately expect to receive?

The precise number of shares to be distributed to a holder of an Allowed Claim will not be known until all disputed claims against Solutia are resolved in the Bankruptcy Court.

QUESTIONS FROM RETIREES

What does emergence mean for retirees that receive benefits from Solutia?

The Official Committee of Retirees negotiated a comprehensive retiree settlement with Solutia. This settlement was included in Solutia's plan of reorganization that was approved by the Bankruptcy Court. Although the settlement includes benefit modifications, the plan of reorganization provides significant current funding of these benefit obligations, which greatly improves Solutia's ability to meet these benefit obligations going forward.

I have questions regarding my specific benefits. Who can I call for more information?

Please call the Solutia Benefits Center at 1-888-476-5236 between 8:00 a.m. and 5:00 p.m. Central Time, Monday through Friday, to speak with a Solutia Benefits Center Representative.

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